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**Osborne  
Construction  
Company**

# Fax

**To:** Wm. Patrick Laakso      **From:** Paul Herbold  
**Fax:** 907-451-2885      **Pages:** 8  
**Phone:** 907-451-2890      **Date:** 9/11/2002  
**Re:** Joel Wallender Accident      **CC:**

**Urgent**     **For Review**     **Please Comment**     **Please Reply**     **Please Recycle**

• **Comments:**

Pat,

Following is the safety orientation that is given to all new hires on the FY01 job, and the acknowledgment form signed by Joel. The supervisor evidently forgot to sign it, which happens now and then, especially with a new supervisor.

Please let me know if there is anything else you need.

Paul

EXHIBIT F



## EMPLOYEE SAFETY ORIENTATION

### REPLACEMENT FAMILY HOUSING FY01/ 2173

FORT WAINWRIGHT, ALASKA

February 14, 2002

The goal of Osborne Construction Company (OCC) Project Safety Program is to complete our work in a safe, timely, cost effective manner with no accidents or injuries to our workers. All of us need to be dedicated, loyal and hard working, and maintain a strong work ethic to accomplish this goal. Let's all remember that following the project's Safety Work Plan will prevent accidents and result in income saved, family hardship avoided, pain and suffering prevented, and a more profitable and enjoyable place for everyone to work.

#### Safety Meetings

Safety meetings will be conducted every Monday at 7 a.m.. Attendance is required by all employees and subcontractors on site!

#### Safety Recognition Program

(Detail guidelines of the Project Incentive Program.)

## **INCENTIVE PROGRAM**

Osborne Construction Company ("Osborne") has chosen to implement an Incentive Program ("Program") for our hourly craft employees effective August 1, 2001 for this Project. The purpose of this Program is to more directly involve Osborne employees in achieving safety, schedule milestones, budget and quality goals on the Project by rewarding them for meeting or beating the goals established below.

## **INCENTIVE PROGRAM ELEMENTS**

The Program consists of the following independent elements:

1. Safety
2. Schedule Milestones
3. Budget
4. Quality
5. Kicker

The performance of the Osborne Civil and Building Teams ("Project Teams") against their respective monthly goals for each of the above elements will be reviewed on a monthly basis. Eligible Team Members will receive payments as outlined below if performance of their Project Team meets or beats one or more of its goals.

Payments will be in the form of Osborne coins valued at \$5.00 each. These coins may be used to

## PROJECT SITE SAFETY WORK PLAN (Cont'd)

purchase Osborne logoed merchandise (such as hats, jackets, t-shirts, etc.) or may be used at designated stores in the Anchorage area which have agreed to redeem Osborne coins.

## INCENTIVE PROGRAM PAYMENTS

The payments to eligible Team Members for meeting or beating the goal for an element by his/her Project Team are as follows:

1. Safety: Monthly Safety Recognition Lunch  
9 coins (\$45.00 value) per month
2. Schedule Milestones: 4 coins (\$20.00 value) per month.
3. Budget: 3 coins (\$15.00 value) per month.
4. Quality: 3 coins (\$15.00 value) per month.
5. Kicker If Items 1 through 4 are all achieved in a given month, there will be a "kicker" of \$60.00 cash paid per month.

## INCENTIVE PROGRAM GOALS

The following monthly goals must be met for eligible Team Members to qualify for payment(s):

1. **Safety**

A. **Safety Recognition Lunches**

Safety Recognition Lunches will be held at the jobsite each month beginning in September 2001 for each Project Team which has a cumulative OSHA incident rate of 10.0 or a lower rate set by the Incentive Committee.

B. **Safety Incentive**

Safety Incentives will be paid monthly to all eligible members of a Project Team when that Project Team meets or beats the following goals:

1<sup>st</sup> month: A maximum of 1 OSHA recordable accident plus no lost work days.

Thereafter: No OSHA recordable accidents.

2. **Schedule Milestones.** Schedule Milestone ("Milestone") incentives will be paid monthly to all eligible members of a Project Team when all the Milestones for that Project Team for the month are met or beaten. At the beginning of each week, each Superintendent will set the Milestone for his/her Project Team to achieve. The Milestone will be set to enable that Project Team to meet or improve on the overall Project completion date for its work. The Project Manager will approve all Milestones. The previous week's Milestone results and the Milestone dates for the current week will be reviewed each Monday morning with the Project Teams and posted at the jobsite.

3. **Budget.** All work performed by the Project Teams will be tracked on a weekly and a monthly basis. Budget incentives will be paid monthly to all eligible members of a Project Team

## PROJECT SITE SAFETY WORK PLAN (Cont'd)

when that Project Team meets or beats the following goals:

- 1<sup>st</sup> month: Actual labor costs for all activities of the Project Team meets or beats its total of the labor budgets for those activities.
- 2<sup>nd</sup> month: Actual labor costs for all activities of the Project Team beats its total of the labor budgets for those activities by 2 percent.
- Thereafter: Actual labor costs for all activities of the Project Team beats its total of the labor budgets for those activities by 5 percent.

4. **Quality.** Quality incentives will be paid monthly to all eligible members of a Project Team when the total cost of Project rework for the month for that Project Team does not exceed 3 percent of its total labor budget for those activities. Rework includes punchlist work.

5. **Kicker.** The kicker will be paid to all eligible members of a Project Team only if that Project Team has met or beaten its goals for each element for a given month.

## INCENTIVE PROGRAM DEFINITIONS & RULES

1. **Incentive Committee.** During the week following the end of the month, the Project Incentive Committee ("Incentive Committee") will meet to determine whether which, if any, incentives have been achieved. The members of the Incentive Committee will be designated by the Project Manager. The Project Manager's decision as to which incentives have been achieved shall be final. Incentive payments will be made by the 15<sup>th</sup> of the following month to eligible Osborne employees.
2. **Finality of Decisions.** All decisions made by the Project Manager on eligibility for incentive payments or any other aspect of this Program shall be final.
3. **Month.** A "month" shall consist of those weeks (Sunday through Saturday) in which Saturday falls within the month. For example, the month of August would consist of the weeks ending 8/4, 8/11, 8/19 and 8/23. Since the next Saturday falls in the month of September, that entire week will be included in the month of September 2001.
4. **Team Members.** Only Osborne hourly craft employees are considered to be Team Members.
5. **Eligible Team Members.** Payments will be pro-rated for each employee's hire month and layoff/transfer month as follows: A new employee starts in the program the week following his/her hire date. When an employee is laid off or transferred to another Osborne Project on a Monday or Tuesday, his/her payment shall be calculated through the preceding Saturday. If he/she is laid off/transferred on or after Wednesday, his/her payment shall be calculated through the end of the week.
6. **Ineligible Team Members.** Any Employee who quits or is terminated shall not be eligible to receive any payments for the month regardless of the date of his/her resignation or termination.
7. **Voluntary Program.** This Program has been voluntarily implemented by Osborne to reward its employees for excellent performance. Osborne reserves the right to alter or terminate this Program at the start of any month.

Safety suggestions will be recognized and awards given when suggestions or significant hazards with a solution are brought to the attention of the supervisory staff.

## PROJECT SITE SAFETY WORK PLAN (Cont'd)

### **Disciplinary Policy**

Violators of company safety rules may be subject to disciplinary action, including suspension and/or discharge. OCC reserves the right to terminate an employee immediately without notice for any unsafe act which jeopardizes the safety or health of you or your fellow workers.

### **Drugs and Alcohol**

Our Drug and Alcohol Free Workplace policy states that no alcohol or drugs are allowed on the jobsite, nor may they be consumed during working hours or at such time(s) as to affect you during the performance of work. Any person having illegal drugs and/or alcohol on site in his/her possession shall be subject to discharge.

You may also be required to submit to additional drug or alcohol testing should your name be chosen in the random testing procedure, for just cause, or if you are involved in a work-related accident. Every employee will be re-tested if initial test is positive or inconclusive. Until the results of the second test are received, the employee will be suspended without pay.

### **Illness Policy**

If ill or unable to be at work for any reason, you must contact your supervisor by telephone, or leave a message at the jobsite, BEFORE 8:00 a.m.

### **Accident / Injury Policy**

Report all work-related injuries immediately to the Project Manager. If medical attention is required, we have arranged with the following medical provider for assistance.

Clinic: [Name of Clinic]      Address: [Clinic Address]      To be arranged by Corporate Safety Manager.  
Phone: [Clinic Phone Number]

Any employee who has been advised by OCC to seek medical evaluation and treatment for a work-related injury, and refuses such treatment, may be suspended without pay until such medical evaluation and treatment is sought.

### **First Aid**

First aid equipment is located on the jobsite at clearly marked designated locations, in the Jobsite Office and in all company vehicles. Please report to your supervisor the last item of anything used.

### **Exposure Control Plan**

Exposure to blood, body fluids, needles, broken glass or other potentially infectious materials shall be avoided. A project site could have discarded needles or broken glass from unknown sources and such items must be removed with adequate personal protection to prevent contact. Do not allow any of this to come in contact with or penetrate your skin. If you happen upon this type of debris, notify your supervisor and do not proceed without further instruction..

### **Fire Extinguishers**

Fire extinguishers are located throughout the jobsite at clearly marked designated locations, in the Jobsite Office, and in all company vehicles. Do not alter or tamper with fire extinguishers.

### **Emergency Plan**

In case of fire, earthquake, explosion, bomb threat or other catastrophic event, you are required to stop work and immediately leave the building. In the event of an earthquake, it is best to remain in a secure area where there is less debris to fall. In an emergency, everyone shall gather together in front of the Jobsite Office. Do not leave the area for any reason until you have been accounted for.

## PROJECT SITE SAFETY WORK PLAN (Cont'd)

The Project Manager shall be responsible for accounting for everyone's whereabouts. In the event of his absence, the senior most company supervisor shall be responsible.

### Hazard Communication / Worker Right to Know

OCC shall ensure that a Material Safety Data Sheet (MSDS) for every product which may contain potentially harmful chemicals is available on the jobsite for your review. If you have questions regarding a product of use, you may request a copy of the MSDS. MSDS shall be reviewed when appropriate or at weekly safety meetings as needed. Method(s) of protection, symptoms from over-exposure, and first aid measures will be discussed.

### Vehicle and Equipment Safety

All company vehicles and equipment shall be operated only by trained and authorized personnel.

## PROJECT SITE SAFETY WORK PLAN

**All safety rules shall be strictly followed. Violation of Osborne Construction Company=s (OCC) Safe Work Rules, applicable State and Federal Safety and Health regulations, or any of the items listed below is subject to automatic suspension and/or discharge. It is your duty to ask questions if unfamiliar with any piece of equipment or operation. OCC also encourages your comments or suggestions to assist us with safe working practices.**

### Job Hazard Analysis

In accordance with the scope of work on this project, a Job Hazard Analysis (JHA) has been developed for each task to be undertaken. Task specific safety training shall be given to each affected work group prior to beginning the task.

### Personal Protective Equipment

Personal Protective Equipment (PPE) is required to be worn during all operations where there is an exposure to a hazardous condition. OCC provides specific PPE for your use. If an item wears out or is damaged, OCC will replace it at no charge but you must return the item to your supervisor for replacement. If you lose it or forget to bring it with you to work, you will be charged for replacing the item.

1. **Hard hats** shall be worn at all times on all Project jobsites other than in job trailers or offices, in Company vehicles parked or transiting to the jobsite and in enclosed cab earthmoving and haul vehicles. Each person assigned to work on the jobsite shall have in their possession a hard hat whether or not they are in or out of vehicles or offices.
2. **Safety Glasses** shall be worn at all times on all Project jobsites other than in job trailers or offices, in Company vehicles parked or transiting to the jobsite and in enclosed cab earthmoving and haul vehicles. Each person assigned to work on the jobsite shall have in their possession safety glasses whether or not they are in or out of vehicles or offices. **Eye Protection and / or Face Shields** are mandatory when performing any task that creates a potential for injury to the eyes or face.
3. Gloves shall be worn when handling sharp or rough material, insulation or solvents.
4. Torn, loose (such as neckties), or ragged clothing will not be permitted. Accidents occur when articles of clothing catch on objects. A shirt with a minimum of three inch sleeves is required to be worn at all times. Rings, long necklaces, bracelets and loose wrist watches are hazardous and employees are encouraged to remove them while working.
5. Adequate work boots that support the ankle and guard against puncture and toe wounds shall be worn at all times, and shall meet the requirements of ANSI Z41.

**PROJECT SITE SAFETY WORK PLAN (Cont'd)**

6. Welding hoods with eye protection and adequate respiratory protection shall be worn during all welding operations. Shields to protect others in the area are required during all welding operations.
7. Ear plugs or ear muffs shall be worn anytime the noise level is such that normal voice communication cannot be heard within a distance of 3 feet from the speaker.
8. Respiratory protection shall be worn whenever working around conditions that introduce foreign particles, dusts, fumes or vapors into the air. Dust masks shall be worn at all times when removing insulation.

**Additional Safety Rules and Regulations on the Project**

The following rules and regulations are to be complied with at all times.

1. Fighting or provoking a fight is prohibited. Horseplay in any form - scuffling, pranks, wrestling, throwing materials at others, etc. - is strictly forbidden.
2. Correct any unsafe conditions within your scope of work immediately. Report any other conditions that you believe to be unsafe to your supervisor.
3. Never attempt to lift objects that are too heavy or awkward by yourself. Use a mechanical device or ask someone to assist you.
4. Good housekeeping promotes safe and efficient work. Do not allow trash, including food and beverage containers, scrap or boards to accumulate. Keep walkways, exits, stairs and landings clear of trip hazards. Remove or bend over nails protruding from boards.
5. Only trained and authorized employees shall operate equipment. If asked to complete a task involving equipment you are unfamiliar with, alert your supervisor that you need additional instruction. Do not proceed until you have received proper training.
6. Powder activated tools require the operator to be specifically trained and certified prior to operation. The certificate of training shall be on the operator at all times during operation. All powder activated tools shall be properly stored when not in use and all loads removed.
7. Hand tools such as hammers, punches, picks and chisels shall be inspected daily for faulty handles or mushroomed heads. Hand tools shall be used for their intended purpose only.
8. All electric tools, cords and equipment shall be used only in conjunction with a GFCI. Three-pronged plugs and receptacles are required on extension equipment cords that are not double insulated. Never cut off a grounding pin. If GFCI protection is not available, the cords and equipment must be tested for adequate grounding prior to use.
9. Guards are required on all power tools. Never remove, alter or block a guard. Before repairing, adjusting or changing a blade, first verify the power source has been disconnected and cannot be reconnected by others. Turning the equipment switch to off when working on equipment is not sufficient. Only authorized personnel are to repair electrical equipment.
10. Gasoline shall be handled or stored only in approved metal safety cans. All internal combustion engines must be shut off and cooled before fueling, oiling, cleaning, or adjusting. Check oil when refueling. Do not use gasoline for cleaning.
11. Oxygen, acetylene or other compressed gases are extremely dangerous. Only trained and authorized employees may operate this equipment. All cylinders shall be kept in an upright position and secured to keep from falling over. Caps shall be securely in place when not in

**PROJECT SITE SAFETY WORK PLAN (Cont'd)**

- use. Keep away from nearby combustible materials and keep bottles a safe distance from welding or cutting operations. Never allow oil or petroleum based products to come into contact with oxygen bottles.
12. Never point compressed air hoses at yourself or someone else. Air pressure shall be kept as low as possible for doing the job adequately. If using for blowing off surfaces or cleaning, 30 psi or lower shall be maintained.
  13. All vehicles and equipment shall be inspected for their safe condition before operating. Passengers may not exceed the number of seat belts provided in any vehicle. Seat belts shall be worn at all times. Passengers riding on forklifts, material hoists, cranes, crane balls and hooks, or excavation equipment is strictly prohibited.
  14. Material or equipment transported by truck shall be loaded, cinched, and flagged in a manner consistent with good loading and transportation practices.
  15. Ladders shall be inspected for good condition prior to the start of each shift. All ladders shall be equipped with safety feet, rungs sound and in place, and rails in good condition. Ladders shall have a firm footing and be secured to the structure, extending 36 inches above the landing. Never climb or descend a ladder with anything in your hands or pockets. Use a hand line for tools, equipment and/or material.
  16. Step ladders shall be operated only with the legs spread fully apart and in a locked position. Never use a step ladder as a straight ladder.
  17. Scaffolding shall be constructed using all components. All scaffolding shall be provided with a top rail, mid-rail and toeboard. Wheels shall be locked in place on rolling scaffold. Only trained and authorized employees shall construct, alter or dismantle scaffolding.
  18. Only trained and authorized employees shall operate crane or give hand signals. Never cause or allow a load to be carried over you or someone else.
  19. Forklift man-basket shall be used only by trained and authorized personnel. The man-basket shall be secured to the forks, and the worker shall wear a full body harness and lanyard attached to the frame. The forklift operator shall remain in the forklift at all times.
  20. Fall protection shall be maintained at all times a worker is exposed to a fall. Fall protection is accomplished by using a scaffold with rails, guardrails at specific areas or the use of a full body harness and lanyard attached to a lifeline and anchored to the structure. Employees engaged in working on roofs are required to wear fall protection equipment. Employees involved in metal siding shall accomplish the task with the use of the rolling scaffold with all guardrails in place. Employees required to work in these areas will receive additional training prior to starting.

OCC wants to help keep you from sustaining an injury. Your sincere and complete cooperation with our safety policies will contribute towards a safe, healthy working environment for all of us.

**REMEMBER - SAFETY PAYS YOU!**

**-Acknowledgment Form Next Page-**

**OSBORNE CONSTRUCTION COMPANY  
ORIENTATION ACKNOWLEDGMENT FORM**

**REPLACEMENT FAMILY HOUSING FY01 / 2173**

I hereby acknowledge that I received, read, understand and agree to Osborne Construction Company Safe Work Rules and Policies. All questions I may have had have been answered to my complete satisfaction.

By my signature below I hereby agree to abide by the Safety Rules and Policies as set forth in this Safety Plan. I understand that to not comply with the company rules and policies, depending upon the severity, may subject me to automatic suspension or discharge.

Joe Wallander  
EMPLOYEE SIGNATURE

7-24-02  
DATE

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SUPERVISOR SIGNATURE

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DATE

**- RETAIN THIS COPY IN EMPLOYEE FILE -**